REMARKS

Claims 1 to 4 and 6 to 20 are pending in the application. Applicants respectfully traverse the rejections for at least the following reasons.

Interview Summary:

An interview was held in this case on August 5, 2009. Applicants thank the Examiner for the courtesy of an interview. During the interview Applicants' representative presented the perceived fundamental differences between the present invention and the prior art. Specifically, how a revenue budget differs from a revenue posting database and from an expenditure budget. The Examiner discussed the basis for disagreeing. No agreement was reached on possible amendments to overcome the presently asserted prior art.

Claim Rejection Under 35 U.S.C. § 102(b):

Claims 1 to 20 were rejected under 35 U.S.C. § 102(b) based upon alleged public use or sale of the invention with reference to the "2000 Development Requests at HERTUG (Higher Education and Research Institutions)" [*sic*] as seen at http://web.mit.edu/her/devreq/votedevreq00.htm ("HERUG reference") at item 7. Applicant respectfully requests withdrawal of the outstanding rejection because the HERUG reference does not teach or suggest all elements of the pending claims.

Before discussing the limitations of the HERUG reference, Applicant respectfully requests the Examiner to reconsider the background of the application to develop an appropriate context for the claimed subject matter. The present application acknowledges that RIB processing has been performed in prior Enterprise Management Applications but identified several deficiencies with the prior attempts. For example, the specification states:

> [An] organization may be permitted to spend additional monies pursuant to an identified program if its revenues exceed a predetermined threshold amount. Such budgetary dependencies are called "revenues increasing the budget" (or simply, "RIB") and vary widely in their implementation. When a new revenue item is posted within the system, the EMA system may apply one or more RIB rules to determine whether the revenue item causes an increase in some expenditure budget item. The EMA system may amend values in the expenditure budget database to reflect any RIB increase that the new revenue item may cause.
>
> Many organizations, particularly public sector organizations, require that the revenue budget and the expenditure budget remain balanced. Through the

> course of the fiscal period, as the organization posts revenue and RIB increases are made to the expenditure database, values of the expenditure budget database no longer balance with the revenue budget database. When audit functions are performed, this artifact causes difficulty to determine whether the organization's goals are being met. Accordingly, there is a need in the art for a budgetary control system that demonstrates balance between revenue and expenditure budget structures even when the expenditure budget increases according to RIB rules.

Thus, the background acknowledges that known EMA systems processed RIB rules but those prior solutions recorded data in ways that cause expenditure databases to become unbalanced with respect to the revenue databases. Against this background, the present invention proposes a solution.

<u>Claim 1 defines a solution that retains balance between expenditure databases and revenue databases in ways that were not accomplished by the EMA systems discussion in the Application's Background. Claim 1, for example, states:</u>

> executing a RIB rule to determine whether the new transaction causes an increase to an expenditure budget;
> if the new transaction causes an increase to the expenditure budget, ***storing the budget increase in a node of an expenditure budget data structure*** with an indication that the node represents an increase in the expenditure budget; and
> **<u>storing the budget increase in an identified node of a revenue budget data structure</u>** with an indication that the node represents an increase in the revenue budget, ***wherein values in the expenditure budget data structure balance with values in the revenue budget data structure***.

Turning to the HERUG reference, note 7, Applicants can find no discussion anywhere in that reference to suggest that the suggestions logged therein meet the substance of the pending claims or that the problems identified in the Application's Background would be solved if the suggestions made in note 7 were adopted.

Note 7 of the HERTUG reference states in relevant part:

TITLE	DESCRIPTION	BUSINESS MOTIVATION	SAP COMMENT
Improve Revenues Increasing Budget	Improve RIB functionality [Transactions FMFO, F- 02, FMIC and FMIB] 1. When RIB is set to increase budget on payment of invoice, only documents of value types 57 and 66 activate RIB, we require that this is extended to other value type 54 transactions which will never be technically paid and stay at value type 54.	Currently we use RIB, it is critical to our Research area and it is activated at sales invoice. The University has made a decision to change the critical event to increase budget on payment of invoice. This will improve our cashflow and to. However the functionality is lacking. 1. Revenue from donations via the payroll (document type SL; type 30) should increase budget. Similarly exchange rate differences and	It would make sense to unify the systems reaction to processes which do not finally lead to payments. The full scope of RIB functionality also is reconsidered with the development of the new budget execution tool.

	2. When RIB is set to increase budget on payment of invoice, the budget is increased in the year the invoice was posted and not the year of payment; we require that budget is increased in the year of payment. 3. RIB thresholds, Restrict budget increases by revenues to an overall amount.	settlement discounts posted via batch journals should also increase budget (value type 54). 2. Budget is sometimes given in a previous fiscal year. we then have to manually journalise this into the current fiscal year. 3. Revenues are posted to many account Assignment Revenue Commitment Items in the Fund Centre / Fund combinations. As upper limits can only be set for Account Assignment Commitment Items of Financial Transaction 30 and Item Category 2 the current Revenues Increasing Budget "upper limit" functionality does not fit UCT's business requirement	

Note 7 makes no reference to balancing budgets between expenditure databases or revenue databases. Indeed, a word search of the entire HERUG reference indicates that the term “balance” is used nowhere in the entire document. Applicants have reviewed the discussion of note 7 and can find no discussion anywhere that corresponds to the elements of claim 1, other than the fact that it uses the same buzzword – RIB. As explained above, Applicants acknowledge that RIB processes pre-date the present application; Applicants have developed a solution that solves a specific problem that is presented by prior attempts to support RIB processing. Applicants, therefore, respectfully request that the Office withdraw the anticipation rejection based on the HERUG reference.

Claim Rejections Under 35 U.S.C. § 103(a):

Claims 1, 4, 6, 14, 17, 19, and 20 stand rejected as obvious over a PowerPoint® slide presentation regarding, Introduction to Management Accounting 12/e, Horngren/Sundem/Stratton, 2002, Prentice Hall Business Publishing (“Prentice”), in view of U.S. Patent No. 6,275,813 (“Berka”), and in further view of U.S. Patent No. 7,131,579 (“Kim”). Claims 2, 3, 7 to 13, 15, 16, and 18 stand rejected as obvious over Prentice, Berka, Kim, and U.S. Patent No. 6,073,108 (“Peterson”).

Claims 1, 4, 6, 14, and 17:

Claims 1, 4, 6, 14, and 17 were rejected under 35 U.S.C. §103(a) as being unpatentable over a PowerPoint® slide presentation regarding, Introduction to Management Accounting 12/e, Horngren/Sundem/Stratton, 2002, Prentice Hall Business Publishing

("Prentice"), in view of U.S. Patent No. 6,275,813 ("Berka"), and in further view of U.S. Patent No. 7,131,579 ("Kim").

Prentice is again cited for the general and known accounting principles regarding flexible budgets. Berka is cited against the specific features of the present claims, in view of Kim, which is cited only for a journaling of financial transactions. Specifically, Berka is cited as disclosing, "a computerized system of double-entry financial accounting and, in particular, to a method of entering data from financial transactions . . . according to known accounting theory of debit and credit." Berka at 1:11-26. However, the "known accounting theory of debit and credit" is not applicable to the features of claim 1. As Berka explains, "any financial transaction can be defined by ***a single posting record*** that includes, apart from its reference number, date, currency and monetary amount, a category directional code consisting of a destination category and a source category." Berka at 1:50-54.

To this, the Office now states that "one of ordinary skill in the accounting arts knows that any revenue recognized by an organization **must be balanced in some manner when posted**. RIB as defined by the applicant is revenue which results in the increase in the budget of an organization, the amount that a budget is increased may be organization specific; however as with all accounting entries they must be balanced." The Office appears to be asserting the Berka reference against some abstract characterization of what the SAP budgeting system, as a whole, may or must include. Applicants respectfully request that the specific features of the present claims be addressed. Claim 1 recites storing the revenue in both the revenue budget and expenditure budget, which is inapposite to adding to one entity and subtracting from another entity, as required by credit/debit procedures, and is further inapposite to a single database entry, as disclosed in Berka. Berka may disclose some accounting methods, but does not disclose the specific features of: "if the new transaction causes an increase to the expenditure budget, storing the budget increase in a node of an expenditure budget data structure . . . **and** storing the budget increase in an identified node of a revenue budget data structure . . ."

None of the cited art discloses "a revenue budget database." Prior art may include a revenue posting database, e.g., a database to record actual revenues in their incoming form. However, this is very different from "a revenue budget database." As explained in the present specification, "Revenue budgets typically **forecast** revenues that the organization *expects to earn over a predetermined fiscal period*." Specification at paragraph 3 (emphasis

added). A revenue budget, as distinct from a revenue posting database, is not found in any of the prior art reverences – including the HERUG reference. It is believed to be rejected as obvious based on the Office's conclusion that "one of ordinary skill in the accounting arts knows that any revenue recognized by an organization **must be balanced in some manner when posted**." This may be true, but it has nothing to do with increasing a revenue forecast, i.e. a revenue budget. The revenue budget is a prediction/expectation, and unrelated to the set of known financial transactions. There is simply no basis to characterize "storing the budget increase in an identified node of a revenue budget" as inherent to the RIB operation of increasing an expenditure budget.

For at least this reason, as well as those previously argued, Applicants respectfully request the rejection be withdrawn.

Claim 4:

Claim 4 is allowable, at least because Berka, and known credit/debit accounting, are inapplicable to the feature of "storing expenditure budget items in a database, **so that the revenue budget items balance with the expenditure budget items**." The credit/debit accounting of Berka "records actual transactions as transfers of money between two" accounts. Berka at Abstract. A revenue budget is not an account, an expense budget is not an account, and a RIB rule does not transfer money between accounts.

To this, the Office "must disagree [, and states that it] is clear from Applicant's specification that the invention is about a financial management system for revenues and expenditures . . . [and] one of ordinary skill in the accounting arts knows that in any accounting system, <u>money is not necessarily transferred between accounts</u> during the debit/credit process; it is a financial recording of a transaction or transactions of an organization." Even if true, Berka does not disclose it. If the Office is taking Official Notice of something believed to be well known in the art, Applicant respectfully requests said Notice be given in proper form, so that Applicants may provide a substantive response. The Office admits that this is not inherent to the Berka disclosure (see underlined phrase above), and thus, it must be that some unnamed reference or personal knowledge is being combined with Berka to disclose the presently claimed features. The transfer of money from different accounts does not identically disclose or suggest the claim feature of revenue/budget data structures. For at least these reasons, Applicants respectfully request the rejection of claim 4 be withdrawn.

Claim 6 and 14:

Claim 6 is allowable, at least because Berka, and known credit/debit accounting, are inapplicable to the features of "an expenditure budget database to store the budget item, and a revenue budget database to store the budget item, wherein the RIB rule processing system is configured to maintain a balance between the expenditure budget database and the revenue budget database." The credit/debit accounting of Berka "records actual transactions as transfers of money between two" accounts. Berka at Abstract. A revenue budget is not an account, an expense budget is not an account, and a RIB rule does not transfer money between accounts. For at least these reasons, claim 4 should be allowed.

Claim 14:

Claim 14 is allowable, at least because Berka, and known credit/debit accounting, are inapplicable to the feature of "store the budget increase in an identified node of an expenditure budget data structure, **and** store the budget increase in an identified node of a revenue budget data structure such that the values in the expenditure budget data structure balance with the values in the revenue budget data structure." The credit/debit accounting of Berka "records actual transactions as transfers of money between two" accounts. Berka at Abstract. A revenue budget is not an account, an expense budget is not an account, and a RIB rule does not transfer money between accounts. For at least these reasons, claim 4 should be allowed.

Claim 17:

Claim 4 is allowable, at least because Berka, and known credit/debit accounting, are inapplicable to the feature of "storing **revenue** **budget items in a database**, each item including a marker to indicate whether the revenue budget item was generated according to a RIB rule; **[and]** storing **expenditure** **budget items in a database**, so that the revenue budget items balance with the expenditure budget items." The credit/debit accounting of Berka "records actual transactions as transfers of money between two" accounts. Berka at Abstract. A revenue budget is not an account, an expense budget is not an account, and a RIB rule does not transfer money between accounts. For at least these reasons, claim 4 should be allowed.

Claims 2, 3, 7 to 13, 15, 16, and 18 to 20:

Claims 2, 3, 7 to 13, 15, 16, and 18 to 20 were rejected under 35 U.S.C. §103(a) as being unpatentable over Prentice, Berka, Kim, and in further view of U.S. Patent No. 6,073,108 ("Peterson").

Claims 2, 3, 7 to 13, 15, 16, and 18 to 20, all depend from one of claims 1, 4, 6, 14, and 17. Since Peterson does not cure, nor was it asserted as curing, the deficiencies discussed above with respect to Prentice, Berka, and Kim, claims 2, 3, 7 to 13, 15, 16, and 18 to 20 should be allowed for at least the same reasons as discussed above with regard to the respective independent claims. Therefore, Applicants respectfully request the rejections withdrawn, and the claims be allowed.

CONCLUSION

Applicants respectfully assert that all of the stated grounds of objection and rejection have been properly traversed, accommodated, or rendered moot. Applicants therefore respectfully request that the Examiner reconsider and withdraw all presently outstanding objections and rejections. Applicants believe that the present application is in condition for allowance.

The Office is hereby authorized to charge any additional fees or credit any overpayments under 37 C.F.R. §1.16 or §1.17 to Kenyon & Kenyon Deposit Account No. **11-0600**. If needed, Applicants request an extension of time to reply to the Advisory Action and the Office Action made final.

The Examiner is invited to contact the undersigned at the telephone number below to discuss any matter concerning this application.

Respectfully submitted,

Date: August 18, 2009

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